

March 15, 2001

John O. Norquist

Mayor

City of Milwaukee



Alderman Terrance Herron and  
Committee Members  
Strategic Budget Planning Task Force  
Office of the City Clerk, Room 205

Dear Alderman Herron and Committee Members:

On February 15, 2001, I directed my cabinet to prepare spending reduction plans for 2001. In early February, I also met with various elected officials and asked them for their cooperation in reducing planned 2001 expenditures. While this directive was difficult to deliver, and will be even more difficult to implement, we must protect our taxpayers against the unanticipated cost increases incurred in 2000.

The budget adjustments planned will help build the city's treasury in 2001 and position the city to repay any outstanding costs from 2000 operations. In some cases, they will assist the city in preparing for the 2002 budget, which will be especially challenging this year.

The Budget Office has prepared summary descriptions of the budget adjustments planned by departments (see attachments). Where possible, I've asked my cabinet to do more with less while continuing to deliver high quality services to our citizens. In other cases, departments have planned service delivery adjustments in non-critical public services. These adjustments total \$4 million. I would like to thank the Budget Office and city departments for their efforts in forwarding these proposals.

Several departments have brought forth ideas for generating additional local revenue. In addition to Alderman Pratt's proposed revenue increases in parking citations, 2001 revenue adjustments are estimated to total approximately \$ 1 million.

The Budget Office also estimates that savings of \$3 million will be realized through the hiring freeze. And, while not included on the attached list, I have asked non-cabinet departments for additional savings. If we maintain our commitment to this challenge, the city's treasury will increase by a total of \$10 million by year-end 2001. I believe the city can manage and solve its current budget challenge. But together we must proceed more strategically as we move into the future.

When I delivered my 2001 budget message to the Common Council, I asked that we work together, at the beginning of the process, to address the city's budget challenges. We need to look at fundamental, systematic changes if we are to maintain the quality of services that people expect and deserve. I am glad to see the Common Council took this request seriously, and I look forward to working with Alderman Herron's strategic budget task force to address these issues.

The most significant problem, of course, has been the lack of growth in the State of Wisconsin's shared revenue formula. As each year passes, Milwaukee's taxpayers bear the burden of this freeze. While the Kettl Commission has proposed some improvements to the formula, the Wisconsin Legislature has not taken action on the Commission's recommendations. Therefore, now more than ever, the city must look even more closely at its budgetary and financial operations.

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